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INNOVATIONS IN BUSINESS

Innovation is everywhere. The last century has witnessed explosive innovation with dramatic results. Innovation makes our lives easier, enhances our productivity, improves our health, entertains us, and broadens our ability to communicate and connect on a global scale.

Innovation is one of the critical problems facing business today. The successful exploitation of new ideas is crucial to a business being able to improve its processes, bring new and improved products and services to market, increase its efficiency and, most importantly, improve its profitability¹.

We often think of innovation today in terms of technology. It's true, but innovation can come in many forms. It can be incremental, like adding a new color or fragrance².

Fundamentally, innovation means introducing something new into your business. This could be:

1. Improving or replacing business processes to increase efficiency and productivity.

Yellow Tail, a new wine brand from Casella Wines, had become the fastest growing wine brand in US history. Yellow Tail abandoned the traditional focus on prestigious vineyards and aging. And they ditched the complex terminology normally found on wine bottles. Instead Yellow Tail created a drink which was sweet enough to appeal to the masses and they made it easy to buy by only introducing two varieties: one red and one white.

2. Developing entirely new and improved products and services.

For almost two decades Apple focused on manufacturing computer software systems until in 2001 it launched the iPod music player, which revolutionized how people listened to music.

3. Adding value to existing products, services or markets to differentiate the business.

Philips saw that the biggest issue the British had in brewing tea was not in the kettle itself but in the water, which had to be boiled in the kettle. The issue was the limescale found in tap water. In result Philips created a kettle with a mouth filter that effectively captured the limescale as the water was poured. The industry was kick-started on a strong growth trajectory as people began replacing their old kettles with the new filtered kettles.

The benefits of innovation are not limited to new product development. Innovation can improve almost every aspect of a product or service life-cycle.

Japanese barbershop QB House recognized that many people do not wish to waste an hour on a haircut. So it stripped away the emotional service elements and dramatically reduced special hair treatments to focus mainly on basic cuts. QB House was able to reduce the price of a haircut to around 1,000 yen (\$9), while raising the hourly revenue earned per barber nearly 50 percent.

When you integrate innovation into your business, you need to become comfortable with failure. Not every innovative idea will work, but the possibility of failure shouldn't scare you off from trying your creative, new ideas and reaping the benefits of innovation in business.

¹ Using innovations to grow business [Electronic resource]. – URL : <http://www.infoentrepreneurs.org/en/guides/use-innovation-to-grow-your-business/> (date of access : 10.05.2018).

² Innovation in Business: Importance, Types & Examples [Electronic resource]. – URL : <https://study.com/academy/lesson/innovation-in-business-importance-types-examples.html> (date of access : 11.05.2018).